



CENTRAL INTELLIGENCE AGENCY

THE PRESIDENT'S DAILY BRIEF



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27 JUNE 1966

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1. South Vietnam

Ky may now be gearing up to crack down on the five generals who "contributed to the unstable conditions" in I Corps area during the last three months.

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Tam Chau, in a press interview today, hedged on whether the Buddhists would continue to demand the resignation of Ky and Thieu, or would boycott the September elections. Chau's attitude, along with other indications, suggests that the Buddhists may be trying to reach a settlement with the government.

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2. Malta

Rumors abound that Prime Minister Borg Olivier may soon resign.

3. Soviet Union

Kosygin's reason for cancelling his scheduled trip to Sweden in July is turning into a real riddle.

The first announcement out of Moscow said that "unforeseen circumstances" had arisen.

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Ambassador Kohler reports that the Czech Embassy in Moscow believes the Supreme Soviet session will be related somehow to the Warsaw Pact meeting in Bucharest early in July. It is difficult to conceive what might emerge from Bucharest that would require urgent action by the Russian parliament.

In sum, we have a situation that is not at all clear, but one that we are watching.

4. Iran

The Shah has returned from Eastern Europe and North Africa and this may bring on a new period of frustration in relations with the US. His prime minister, for example, is saying that the Shah might "act impulsively" if Iran is unable to buy more US military equipment quickly and at "reasonable" prices.

The prime minister is also complaining that the terms available from European arms suppliers are not much better than those offered by the US, and this only increases the temptation to turn to the "north."

In upcoming discussions, the Shah will probably zero in on the availability of US all-weather aircraft to match the MIG-21s which Moscow is supplying Egypt and Iraq.

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5. Argentina

The tension is up in Buenos Aires again, and a new batch of coup rumors is making the rounds. [REDACTED]

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6. Bolivia

Ambassador Henderson has had a long and remarkably frank discussion with General Ovando. He reports that never before has Ovando been so explicit about his ambitions and never before has he indicated so clearly that he believes Barrientos would be bad for the country.

Ovando claims that Barrientos, as the new president, will run into real trouble next year. He said that by the end of 1967 the armed forces may again find themselves compelled to intervene. The ambassador notes that Ovando was perfectly candid as to his willingness to lead another intervention when the time comes. He was completely confident that he would succeed Barrientos.

Clearly Barrientos will have a hypercritical observer of his presidential performance if Ovando has his way.

7. France

An embassy officer in Paris recently asked a responsible official in the Quai d'Orsay about the timing of De Gaulle's move last March against NATO. The Frenchman said that the reason is still unknown, [REDACTED]

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